THE OFFICE OF REGULATORY STAFF DIRECT TESTIMONY AND EXHIBITS OF

ROBERT A. STERNBERG November 8, 2006



DOCKET NO. 2005-13-WS

Application of Wyboo Plantation
Utilities, Incorporated for Approval of
New Schedule of Rates and Charges for
Water and Sewer Services

| 1 | | TESTIMONY OF ROBERT A. STERNBERG |
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| 2 | | FOR |
| 3 | | THE OFFICE OF REGULATORY STAFF |
| 4 | | DOCKET NO. 2005-13-WS |
| 5 | | IN RE: WYBOO PLANTATION UTILITIES, INC. |
| 6 | | |
| 7 | Q: | PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION. |
| 8 | A. | My name is Robert A. Sternberg and my business address is 1 Green Lake Drive, |
| 9 | | Manning, South Carolina 29102. I am the owner of L.G.B. Inc./Custom Homes and a |
| 10 | | resident of Wyboo Plantation. I build residential homes full time at Wyboo Plantation. |
| 11 | Q: | PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND |
| 12 | | EXPERIENCE. |
| 13 | A. | I have 43 years experience in the construction business. I have a Bachelor's Degree in |
| 14 | | Psychology from Case Western University and a Masters Degree in Administration |
| 15 | | from Loyola University. I also have an ACS (Advanced Certificate of Study) in |
| 16 | | Hospital Administration from George Washington University. I started building |
| 17 | | apartments and shopping centers in Youngstown, Ohio in 1970 and served as the |
| 18 | | General Superintendent for Simco Development Corporation. As General |
| 19 | | Superintendent, we constructed 4,000 apartments, two high rises for the elderly and |
| 20 | | two shopping centers. In 1975, I went into the house building business in |
| 21 | | Youngstown, Ohio, and moved to Columbia, South Carolina, in 1979. I have been |
| 22 | | building houses since that time. In 1996, I started building houses in Wyboo |
| 23 | | Plantation. In 2004, my wife and I moved to Wyboo Plantation and reside there on a |

full time basis.

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Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

The purpose of my testimony is to inform the Public Service Commission of South Carolina ("Commission") of payments made by my company to Wrigley and Associates for water tap fees and sewer tap fees. Prior to 2006, I made checks for sewer tap fees and water tap fees to Wyboo Plantation Utilities, Inc. which I understood to be the utility company in Wyboo Plantation. It was my understanding from Mr. Mark Wrigley that the fees for taps were \$300.00 for water tap fees and \$500.00 for sewer tap fees. Beginning in 2006, Mr. Mark Wrigley told me that the new charges would be \$450.00 for water tap fees and \$600.00 for sewer tap fees. He also informed me that the checks for these tap fees were to be made payable to Mark Wrigley and Associates. I asked who Mark Wrigley and Associates was since I had always made checks payable to Wyboo Plantation Utilities, Inc. in the past. I also asked Mr. Wrigley whether the Commission had approved this increase in tap fees. Mr. Mark Wrigley did not answer my question about the Commission approving the increase in tap fees and informed me that if I wanted the "tap ins" to be made, I would have to make the checks payable to Mark Wrigley and Associates. This request seemed very odd to me. It was my understanding that only the Commission could approve an increase in rates. It crossed my mind that this process could possibly be an attempt to circumvent the Commission authority. I am concerned about this because I do not want the Commission to think that I would circumvent the Commission's authority by writing checks to an entity other than the approved utility. In addition, I think it is important that the Commission be made aware that Mark Wrigley &

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A.

Associates has not installed or hooked-up either the sewer system or the water line from any of the houses I have built in Wyboo Plantation. As far as I am concerned, the payment of the water and sewer tap fees is merely for the privilege of using the system and not for any work performed by either Wyboo Plantation Utilities, Inc. or Mark Wrigley and Associates. My subcontractors install and hook up both the sewer system and the water lines.

7 Q: PLEASE EXPLAIN EXHIBIT RAS-1.

Exhibit RAS-1, consisting of 3 pages, is a list of the checks written to Mark Wrigley and Associates in 2006. In 2006, I wrote three checks to Mark Wrigley and Associates for water tap fees and sewer tap fees for properties located in Wyboo Plantation. Some of the properties were under construction. Other tap fees were paid for the remainder of the lots I owned which were not yet under construction. On June 6, 2006, I wrote a check in the amount of \$6,300.00 for six lots for water tap fees of \$450.00 and \$600.00 for sewer tap fees. On August 8, 2006, I wrote a check in the amount of \$16,800.00 to Mark Wrigley and Associates. This check represents water tap fees in the amount of \$450.00 per tap and sewer tap fees in the amount of \$600.00 per tap for a total of 16 lots. On August 21, 2006, I wrote a check in the amount of \$2,550.00 to Mark Wrigley and Associates for water tap fees of \$450.00 per lot (three lots) and sewer tap fees of \$600.00 per lot (two lots).

20 Q: WHAT CONCERNS DO YOU HAVE ABOUT TESTIFYING IN THIS

21 MATTER?

A. I am concerned that unauthorized water tap fees and sewer tap fees have been charged in excess amounts of what the Commission has approved. I am also concerned about

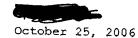
- reprisals against my company and myself by Mr. Mark Wrigley because I have
- testified concerning payments for water and sewer tap fees.
- Q. DOES THIS CONCLUDE YOUR TESTIMONY?
- 4 A. Yes, it does.



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